



TETRA TECH EC, INC.

June 14, 2018
EMAC-RAD-18-0037

Ms. Karen Barba
Contracting Officer
Navy BRAC PMO
Attn: Environmental Contracts Core
CODE RO6B2
33000 Nixie Way, Bldg. 50
San Diego, CA 92147

Subject: Tetra Tech EC, Inc.'s Proposal for Retesting Areas of Concern at Hunters Point Naval Shipyard

Reference: Letter from D. Batrack to L. Duchnak, April 24, 2018
Letter from K. Barba to K. Weingardt, May 1, 2018
Letter from J. Sanders to K. Barba, May 3, 2018
Letter from J. Sanders to K. Barba, May 21, 2018
Letter from K. Barba to K. Weingardt, May 23, 2018
Minutes of meeting between Navy BRAC and Tetra Tech EC, Inc., May 31, 2018

Dear Ms. Barba:

Thank you again for meeting with us on May 31, 2018 to discuss the Hunters Point Naval Shipyard ("HPNS") matter. As you requested, this letter provides additional information regarding Tetra Tech EC, Inc.'s ("TtEC's") proposal to retest the areas of concern at HPNS (hereafter referred to as the Site) at TtEC's expense. TtEC is confident that this retesting will confirm TtEC's compliance with the relevant contract requirements.

As background, your May 1, 2018 letter informed us that the United States Department of the Navy (Navy) had retained CH2M Hill to review previous test results from soil samples collected by TtEC and its subcontractors at HPNS. CH2M Hill's draft reports questioned the test data on various grounds, and recommended specific corrective actions. Further, you indicated that retesting will be required as a result of TtEC's alleged deficient performance of work under each of the below-referenced contracts and task orders. In addition, you advised that the Navy is evaluating its contractual remedies, including the possibility of termination for default.

While TtEC strongly disagrees with CH2M Hill's technical methods, analyses, and findings—and is confident about its contract compliance—this letter does not address those specific issues. Further, based on your explicit instructions at the May 31, 2018 meeting, this letter does not provide a response to each of the task orders. Instead, based on your direction, this letter focuses solely on providing details about TtEC's offer to pay for retesting.

Should the Navy intend to take further action with regard to TtEC's performance, TtEC reserves the right to issue a formal response pursuant to your May 1 letter. Here, we set forth the essential terms of TtEC's offer regarding the payment for verification sampling and analysis. All of these terms are subject to discussion.

1. What contract specifications, retesting, and standards should apply?

The relevant specifications are found in the following contracts and task orders (collectively "specifications"):

- N62473-08-D-8823-0002: Fisher and Spear Avenues Storm and Sanitary Sewer Removal
- N62473-08-D-8823-0003: Crisp Road Sanitary Sewer System/Storm Drain Removal; Radiological Remediation and Support
- N62473-10-D-0809-0002: Parcel C Radiological Remediation and Support
- N62473-10-D-0809-0004: Basewide Radiological Support Operation at Hunters Point Naval Shipyard
- N62473-10-D-0809-0007: Parcel E, 500 Series Area Radiological Remediation and Support
- N62473-10-D-0809-0012: Parcel C Phase II Radiological Remediation and Support
- N62473-10-D-0809-0015: Parcel E Sanitary Sewer and Storm Drain Radiological Remediation and Support
- N62473-10-D-0809-0016: Parcel C Phase III Radiological Remediation and Support
- N62473-12-D-2006-0004: Radiological Survey of Buildings 253 and 211 Parcel C at HPNS
- N62473-07-D-3211-0018: Basewide Radiological Support
- N62473-07-D-3211-0019: Parcel B Sewer and Storm Drain TCRA Close Out
- N62473-06-D-2201-0003: Parcel B, D, & E-2 Draft Feasibility Study; Contingency Response; and Public Meeting Support
- N62473-06-D-2201-0006: Basewide Radiological Support
- N68711-98-D-5713-0072: Basewide Radiological Surveys and Remediation
- N68711-98-D-5713-0084: TCRA and RAD Screening Parcel E PCB Soil Excavation Site
- N44255-01-D-2000-0070: Parcel D (Sewer removal and Surveys)

Generally speaking, these specifications required TtEC to comply with the Multi-Agency Radiation Survey and Site Investigation Manual process. TtEC recommends that a sampling team collect new, systematic samples and send them to a Navy-accredited laboratory for analysis. The specifications would serve as the basis for the work plans for the verification sampling, aligned with the original testing standards and levels of accuracy. The analysis will consider the original background levels, previous work performed, and any other changes that have occurred at the Site since the samples were originally collected.

2. Which areas will TtEC pay to have retested?

Each of the areas identified in CH2M Hill's draft reports as potentially questionable would serve as candidates for verification sampling, to the extent practicable. For example, with respect to Parcel G, the draft report for Parcels B and G identifies 20 trench units, 51 fill units, and two building areas in Parcel G as potentially questionable and in need of retesting. For Parcel G, TtEC's offer is to pay for the verification sampling and testing of these 20 trench units, 51 fill units, and two building areas, assuming they are accessible and not significantly altered from the time TtEC originally sampled these areas. TtEC's offer is limited to these areas previously sampled and analyzed by TtEC, and now identified in the draft reports as questionable.

In addition, TtEC was not the only contractor working at HPNS, and, thus, understands that the Navy may wish to engage in testing at HPNS outside of the areas that CH2M Hill's draft reports identified as potentially questionable, and outside of or in addition to the areas of TtEC's responsibility under the specifications. TtEC will have no input or involvement in—and will not pay for—such broader scale retesting efforts. TtEC will provide funding for testing only its areas of responsibility.

3. How will TtEC pay for the verification sampling?

TtEC proposes to pay for retesting to be performed by one or more independent, third-party firms selected by the Navy. Such firm(s) would perform the following major tasks associated with the verification sampling and analysis:

- Drilling and sampling
- Quality control and safety
- Laboratory analysis

To maintain the independence and integrity of the process, TtEC will not have any input into the Navy's choosing of such firms. We assume that the Navy will use standard competitive procurement processes to ensure appropriate competitive rates are achieved to perform the verification sampling and analysis work. Our only request is that, to avoid any potential conflict of interest, the Navy not utilize the services of the following primary competitors of our company: CH2M Hill/Jacobs Engineering, and Aptim (formerly CB&I, formerly Shaw).

At the Navy's discretion, TtEC can either pay the selected firms directly (based on invoices provided by the Navy and approved for payment) or reimburse the Navy for the documented costs of the testing via a contract adjustment. The latter may be more acceptable to ensure public perceptions of independence.

4. Who would receive the retesting analytical reports?

TtEC would expect the independent firms to provide both the Navy and TtEC with copies of all daily reports, laboratory results, and other documentation to verify payment requests. TtEC also understands that the local community is quite concerned about the retesting; we assume the Navy will undertake a process to involve the local community and provide regular updates on the results.

5. What if the retesting results show compliance with the specifications?

Once the retesting reports are received, both the Navy and TtEC will analyze the results for compliance with the specifications. The analysis will consider the original background levels, previous work performed, and any other changes that have occurred at HPNS as is reasonable and customary for such analysis.

If TtEC and the Navy mutually agree that the retesting results confirm, as we believe they will, that the original sampling and remediation was done correctly, we respectfully request that the Navy agrees to meet with TtEC to discuss the potential for withdrawal of the negative Contractor Performance Assessment Reporting System evaluations and the March 30, 2017 Show Cause letter issued by its Acquisition Integrity Office.

6. What if the retesting shows noncompliance with the specifications?

If TtEC and the Navy mutually agree that the retesting results show noncompliance that warrants remedial measures, such as further excavation, TtEC and the Navy will confer and mutually agree on the measures to be taken.

If the Navy and TtEC dispute the retesting results, or the need for, or scope of, further remediation measures, the parties mutually agree to follow the standard disputes process found in the contracts and task orders.

7. How would the actions identified in this proposal be enacted?

While this letter outlines the essential terms that TtEC proposes, we wish to engage in a dialogue with the Navy to discuss the acceptability of these terms and any details that warrant consideration. Once agreement is reached in principle, the Navy and TtEC could enter into a single bilateral modification that applies to all of the contracts and task orders.

8. Would other regulatory agencies, the community, or the media be involved in this verification sampling process?

TtEC understands that those third parties also have an interest in the retesting results and any follow-on decisions and actions. TtEC suggests that it and the Navy mutually agree to terms for any public statements, messaging, and sharing of information.

Having said that, the contracts and task orders, and their specifications control the relationship between the Navy and TtEC.

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TtEC hopes that this proposal can serve as a basis for continued dialogue toward beginning prompt verification sampling to resolve the questions and concerns about TtEC's contract compliance at HPNS. Upon review of this letter, we request another meeting with the Navy, similar to our May 31 meeting, to further discuss the details and approach for the Navy accepting TtEC's offer for retesting.

Sincerely,

A handwritten signature in blue ink that reads "Kent Weingardt". The signature is fluid and cursive, with the first name "Kent" and last name "Weingardt" clearly legible.

Kent Weingardt, PE, PMP, CPCM
Vice President and Program Manager
Tetra Tech EC, Inc.